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EX PARTE OR LATE FILED

Telephone: 202/289-8400

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September 8, 1998

BY HAND DELIVERY

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**SEP 8 1998**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

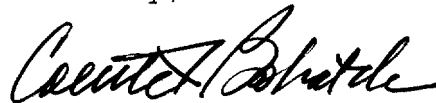
Re: Ex Parte Communications,  
In the Matter of Federal-State Joint Board on Universal  
Service, CC Docket No. 96-45 and DA Docket No. 98-977

Dear Ms. Salas:

Pursuant to 47 C.F.R. § 1.1206, this letter notifies interested persons that Mark Nadel of the Federal Communications Commission's Accounting Policy Division communicated with me concerning the above-captioned dockets. On September 1, 1998, he discussed the "Motion for Declaratory Ruling or, Alternatively, Petition for Waiver by the State of Florida Department of Management Services" and the Schools and Libraries Corporation Web site. On behalf of the Florida DMS, I hereby submit to the Commission the enclosed written summary of our conversation.

Enclosed please find the requisite three copies of this letter and the enclosure to satisfy the filing requirements in each of the dockets. Please date-stamp the fourth copy and return it to the messenger for delivery to me. Thank you.

Sincerely,



Colette K. Bohatch  
Counsel for  
State of Florida  
Department of Management Services

Enclosures

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY  
Facsimile: 202/289-8450

September 8, 1998

BY HAND DELIVERY AND FACSIMILE

Mr. Mark Nadel  
Accounting Policy Division  
Federal Communications Commission  
2100 M Street, N.W., 8th Floor  
Washington, D.C. 20554

Re: Florida DMS Motion for Declaratory Ruling, etc.,  
In the Matter of Federal-State Joint Board on Universal  
Service, CC Docket No. 96-45 and DA Docket No. 98-977

Dear Mr. Nadel:

In our telephone conversation of September 1, 1998, we discussed your conclusions on certain issues raised by the pending Motion for Declaratory Ruling or, Alternatively, Petition for Waiver filed on May 11, 1998, by my client, the State of Florida Department of Management Services (the Florida DMS).\*

A. Summary of Conclusions on Renewal Options

In that September 1 call, you provided me with (apparently) prospective requirements for Florida's telecommunications contracts with renewal provisions to be eligible for Universal Service Fund ("USF") support under the Telecommunications Act of 1996, as follows:

(1) For a contract that has been competitively bid through the "470" application process (which includes posting on the Schools and Libraries Corporation ("SLC") Web site), no reposting of the contract is necessary before the renewal option is exercised (if the State should decide, pursuant to State procedures, to exercise it).

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\* Our September 1, 1998, phone conversation was a follow-up to a conference call held on August 26, 1998, with several procurement officials of the Florida DMS for the purpose of providing additional information to you in connection with the pending motion. In particular, you asked about the Florida DMS's telecommunications procurement practices and procedures at that time. (I had furnished you a letter before the conference call setting forth similar information.)

(2) For an existing contract (entered into on or before July 10, 1997), posting thereof on the SLC Web site using a "470" application is required before exercise (if any) of the renewal option, but it is not required that the contract be rebid. The posting is to give (additional) notice to interested parties of the State's market inquiry before it makes a decision whether or not to exercise the option. After the original contract is posted, the State may either rebid the contract or exercise the renewal option, as warranted in the judgment and discretion of State procurement officials in the State's best interests.

These requirements are acceptable to the State of Florida.

B. Disposition of Motion

In our September 1 call, you suggested that because the posting rules you articulated (as set forth above) appear to resolve issues raised in the DMS's pending motion, withdrawal thereof might be appropriate. The Florida DMS believes, however, that a written order in response to its motion is warranted to avoid any further confusion and misunderstanding about the USF rules on renewal options. Many other states, municipalities, and representative groups -- including California, New York, and Washington and the National Association of State Telecommunications Directors, each of which has filed comments in support of Florida's position -- are seeking definitive guidance on renewal options also.

\* \* \*

The Florida DMS understands that FCC and SLC staff members tasked with implementing the comprehensive USF program are dealing with many confusing and complicated transition issues under pressing deadlines. In that regard, we thank you for your continuing assistance in this matter.

Please let me know if you have any questions. (In accordance with 47 C.F.R. § 1.1206, I have filed an original counterpart and the requisite three copies of this letter to satisfy the ex parte communication filing requirements for the two identified dockets.)

Sincerely,



Colette K. Bohatch  
Counsel for  
State of Florida  
Department of Management Services